



The Legislative Fiscal Division Presents an Agency Profile of:

The Department of Public Health and Human Services

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[Definition of Terms](#)

Agency Description

The Department of Public Health & Human Services (DPHHS) mission is: Improving and protecting the health, well-being and self-reliance of all Montanans.

The organizational structure of the department consists of three main branches, in addition to the Public Health and Safety Division, and the Director's Office. The branches and the related programs are:

- Economic Security Services Branch:
 - Disability Employment and Transitions Program
 - Human and Community Services Division
 - Child and Family Services Division
 - Child Support Enforcement Division
- Operations Services Branch:
 - Business and Financial Services Division
 - Quality Assurance Division
 - Technology Services Division
 - Management and Fair Hearings Program
- Medicaid and Health Services Branch
 - Developmental Services Division
 - Health Resources Division
 - Medicaid and Health Services Program
 - Senior and Long Term Care Division
 - Addictive and Mental Disorders Division

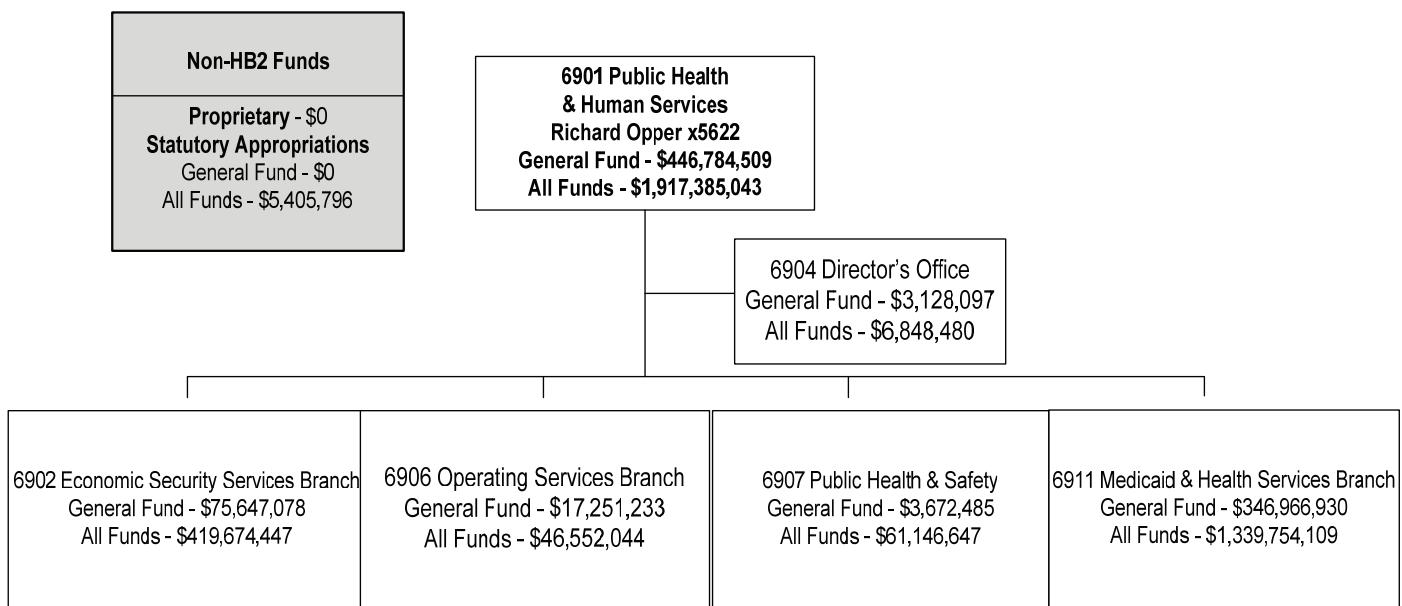
Agency Description Cont.

DPHHS is established in Title 2, Chapter 15, Part 22 of Montana Code Annotated (MCA). The primary state statutory references defining its duties and responsibilities are:

- Titles 40, 41, and 42 for family law, minors, and adoption
- Titles 50, 52, and 53 for health and safety, family services, and social services and state facilities

There is also a significant body of federal law, rules, and policies as well as state and federal court decisions that impact DPHHS administration of programs.

Below is an organizational chart of the agency including general fund appropriations, statutory appropriations, proprietary funds and total of all funds. Unless otherwise noted, all phone extensions are preceded by (406) 444.



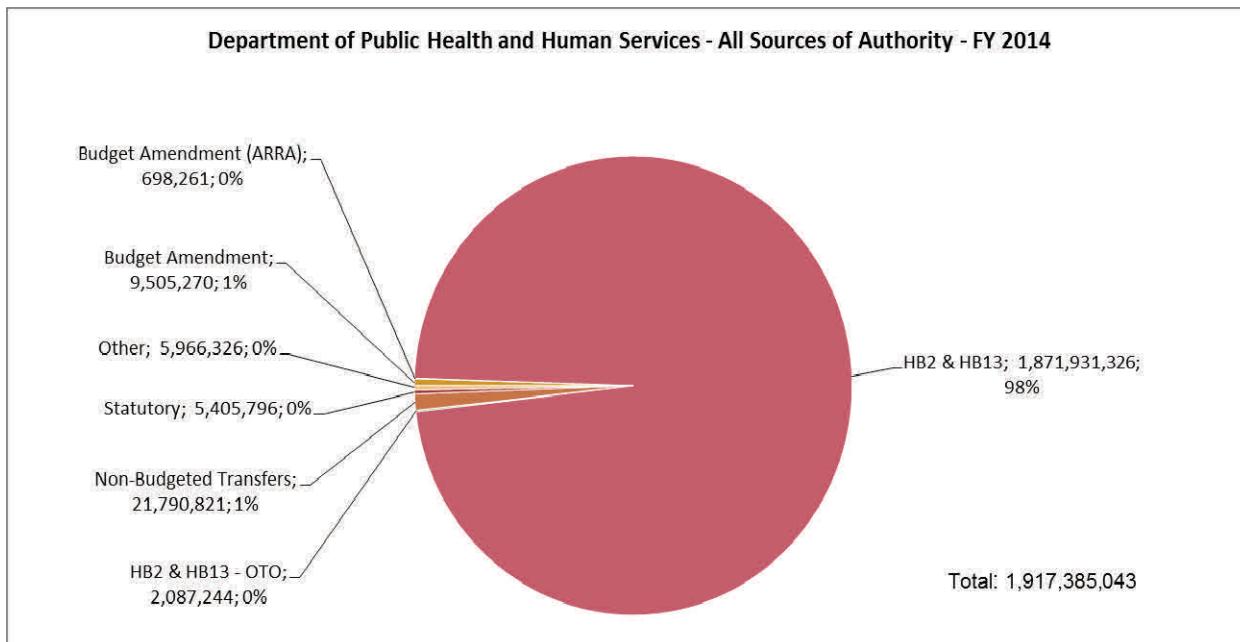
How Services are Provided

Services administered by DPHHS include: public assistance, Medicaid, foster care and adoption, nursing home licensing, long term care, aging services, alcohol and drug abuse programs, mental health services, vocational rehabilitation, disability services, child support enforcement activities, and public health functions (such as communicable disease control and preservation of public health through chronic disease prevention).

The department is also responsible for all state facilities except correctional institutions. DPHHS facilities include: Montana State Hospital, Warm Springs; Montana Mental Health Nursing Care Center, Lewistown; Montana Chemical Dependency Center, Butte; Eastern Montana Veterans' Home, Glendive; Montana Veterans' Home, Columbia Falls; and the Montana Developmental Center, Boulder.

DPHHS administers programs by contracting for and through direct provision of services. Most Medicaid, Healthy Montana Kids (HMK), child care, and other services that directly benefit low income individuals are delivered by contractors enrolled in provider networks with DPHHS. Other services, such as low income energy assistance, out-of-home foster care, and development and maintenance of larger computer systems, are provided by businesses that contract with the department. A significant component of foster care services is provided by families who contract with DPHHS. A number of DPHHS programs employ staff who provide services directly to clients/consumers including: child and adult protective services; eligibility determination; child support enforcement and collection; and some case management functions. In addition, DPHHS operates six¹ state facilities that provide medical care to persons.

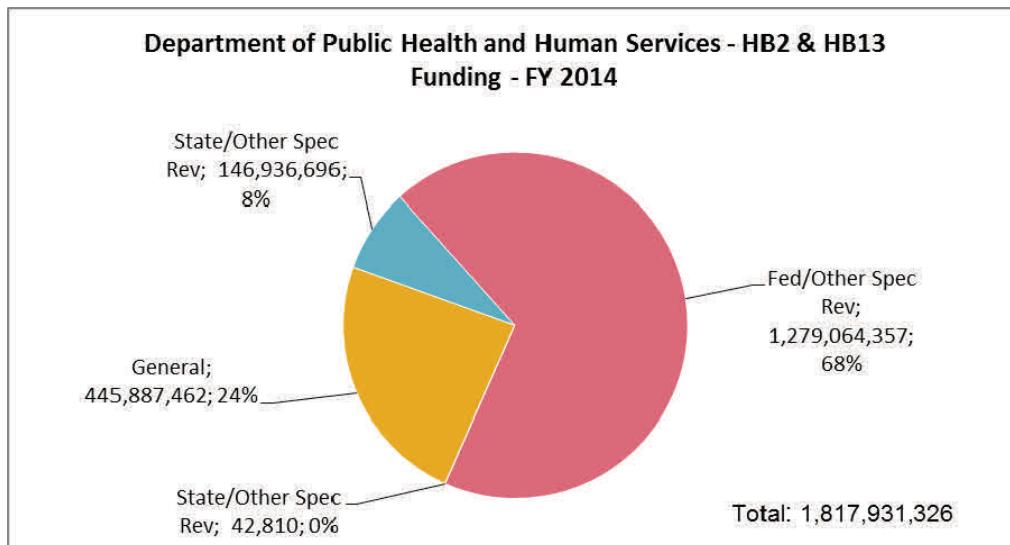
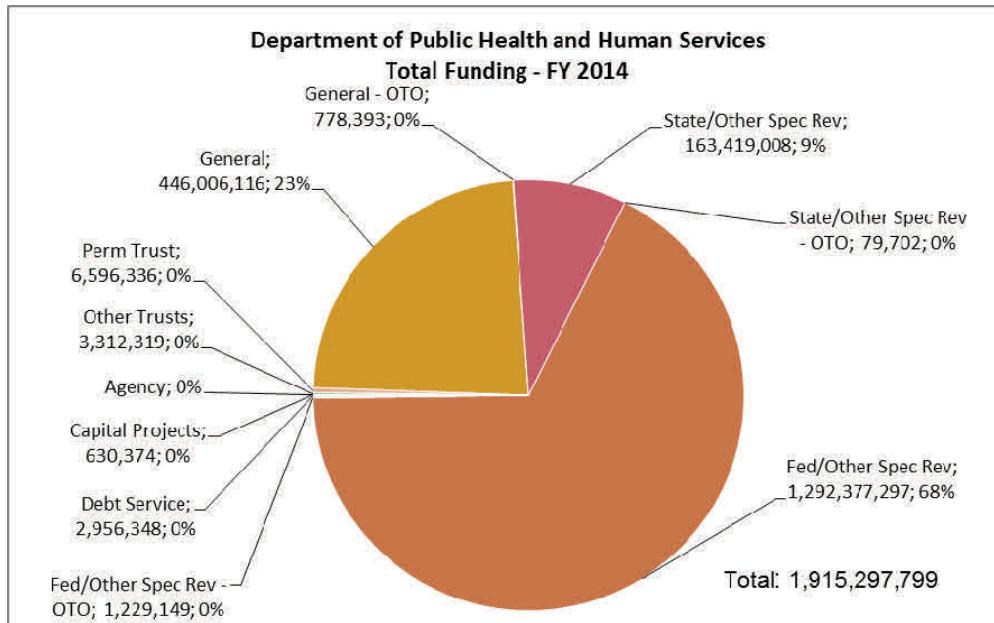
Sources of Spending Authority



The above chart shows the sources of authority for base year expenditures. The accounting term, off base, refers to one-time-only spending and non-budgeted items like inventory adjustments. Other legislative appropriations (sometimes called cat and dog bills) are included in the above categories as appropriate. For a more detailed description of accounting terminology, please refer to the definition of terms.

HB 2 Funding

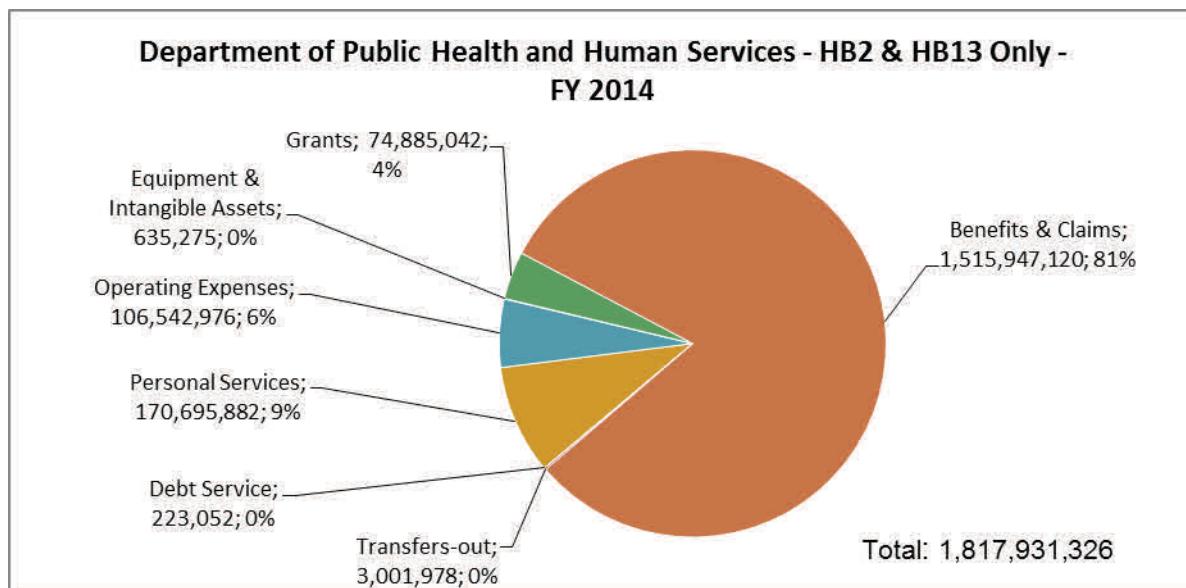
The following charts show the agency's HB 2 funding authority by fund type and all sources of its total funding authority.



This chart matches the agency chart found in the 2015 Budget Analysis. Please note that benefits and claims represent payment for services provided to individuals who meet specific eligibility criteria. Medicaid services are the largest share of these expenditures.

Expenditures

The next chart explains how the HB 2 authority is spent. The majority of expenditures—over 80% - are for benefits and claims, which are services provided to individuals who meet specific eligibility criteria. Medicaid services accounted for \$1.2 billion of the total \$1.5 billion in expenditures for services to individuals.



How the 2015 Legislature Can Effect Change

DPHHS expenditures are driven by the number of persons receiving or eligible to receive services, the cost of those services, and in some cases the availability of federal grant funds to address specific issues. In order to change expenditure levels and/or DPHHS activity, the legislature must address one or more of the following policies that drive costs:

- Who will receive services
- The level of services that will be provided
- In some instances, the amount paid for a unit of service
- Program management of DPHHS

Major Cost Drivers

The following table in the Major Cost Drivers section illustrates the major service areas.

Program and Total Cost/ Number Enrolled or Served	FY 2009		FY 2012		FY 2014	
	Total Cost/ Number Eligible	Cost per Eligible/ Case	Total Cost/ Number Eligible	Cost per Eligible/ Case	Total Cost/ Number Eligible	Cost per Eligible/ Case
Medicaid Services*						
Total Cost of Services	\$778,656,133	\$9,543	\$964,744,320	\$9,166	\$1,074,686,713	\$9,040
Total Enrollment	81,597		105,251		118,888	
Adults Enrolled	33,645		35,894		37,845	
Children Enrolled	47,953		69,357		81,043	
TANF - Cash Assistance	\$18,984,544	\$5,116	\$16,777,518	\$5,112	\$13,899,877	\$4,516
Average Monthly Cases	3,711		3,282		3,078	
SNAP (Formerly Food Stamps)	\$170,224,019	\$3,476	\$195,440,926	\$3,317	\$179,972,356	\$3,029
Average Monthly Households	48,968		58,919		59,421	
Childcare Subsidy	\$22,558,255	\$2,182	\$24,684,190	\$2,384	\$20,291,476	\$2,356
Number of Children	10,338		10,352		8,612	
Subsidized Adoption	\$11,854,145	\$466	\$13,187,941	\$503	13,591,000	\$515
Number of Subsidies**	2,121		2,185		2,198	
Foster Care	\$16,595,331	\$893	\$15,449,034	\$731	\$17,274,920	\$631
Number Served**	1,548		1,760		2,282	
Vocational Rehabilitation	\$12,523,122	\$1,573	\$12,626,983	\$1,521	\$14,221,449	\$1,834
Number Served	7,959		8,300		7,755	
Child Support Enforcement	\$63,846,114	\$1,638	\$70,035,872	\$1,750	\$70,745,131	\$1,811
Cases	38,969		40,019		39,068	
Low Income Energy Assistance	\$19,488,244	\$868	\$12,819,519	\$562	\$13,318,563	\$627
Number of Households	22,448		22,793		21,248	

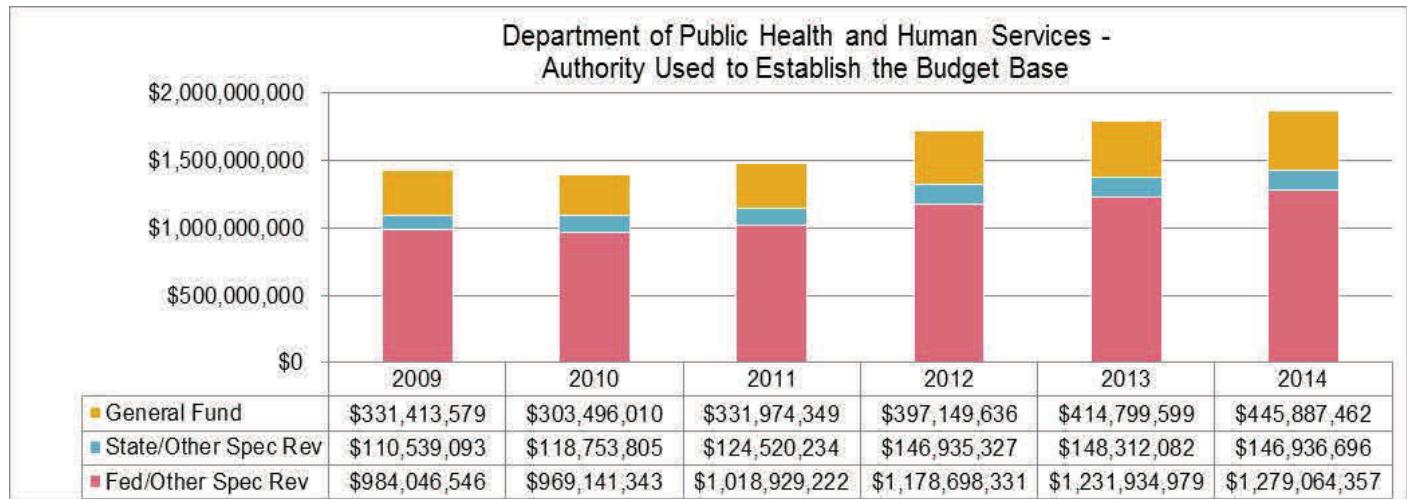
*Medicaid services do not include any administrative costs. FY 2014 expenditures are those recorded in the state accounting system at year end. Otherwise Medicaid services expenditures are taken from the DPHHS biennial report presented to the 2013 Legislature. **Subsidized Adoption and Foster Care include average monthly caseload and average monthly cost per case, as data on unduplicated annual cases are not available.

The average cost per Medicaid enrollee declines from FY 2009 to FY 2014 due to the increase in the number of children enrolled. The average cost to serve a child is lower than the average cost for adult medical services.

Funding/Expenditure History, Authority Used to Establish the Budget Base

Reasons for changes in the following chart include:

- A voter initiative passed in FY 2009 established the Healthy Montana Kids (HMK) program and raised financial eligibility for children resulting in increased enrollment in CHIP and Medicaid
- The American Recovery and Reinvestment Act of 2009 (ARRA) provided substantial federal funding that replaced general fund, particularly through a temporary 10% increase in federal support for the Medicaid program beginning in the later part of calendar year 2010 and extending through 2011
- The Great Recession caused general fund revenues to decline to the point that the Governor ordered spending reductions in 2010 and 2011, which lowered general fund expenditures in DPHS
- The loss of the ARRA enhanced federal Medicaid match in 2012 resulted in higher general fund and state special revenue to support base level Medicaid services
- Funding for provider rate and state employee pay increases as well as enrollment growth in entitlement programs contributed to spending growth from FY 2013 to FY 2014



Major Legislative Changes in the Last Four Years

2007 Legislature

- Implemented a 2.5% annual provider rate increase
- Appropriated funds for a rate increase targeted to raise wages of workers providing direct care
- Appropriated funds for a provider rate increase to support healthcare for direct care workers providing in-home Medicaid services

2009 Legislature

- Appropriated funds to implement Healthy Montana Kids voter initiative, which:
 - Raised eligibility to 250% of the federal poverty level for CHIP services
 - Eliminated consideration of household assets
 - Created a state special revenue account to fund expanded enrollment by diverting 16.5% of the insurance premium tax proceeds from the general fund to the account
- Used general fund freed up due to the enhanced federal Medicaid match per the American Recovery and Reinvestment Act (ARRA) of 2009 for:
 - One-time provider rate increases
 - Additional community aging services
- Increased benefit levels for TANF to 33% of the 2009 federal poverty level (FPL)
- Raised the TANF eligibility standard to 30% of the 2009 FPL through September 30, 2010, when ARRA funds terminated
- Funded jail diversion mental health crisis community services

2011 Legislature

- Provided funding for the Health Insurance Flexibility and Accountability (HIFA) waiver to move up to 800 low income persons with a severe and disabling mental illness from a limited state funded services to a Medicaid funded mental health and physical health services
- Revised the medical marijuana laws with the passage of SB 423

2013 Legislature

- Funded a 2.0% annual provider rate increase, with additional increases for selected providers
- Approved implementation of the Community First Choice Option for services for elderly and disabled persons funded with an enhanced federal Medicaid match rate
- Added funds to increase community services for disabled persons and partially offset reductions in those services made by DPHHS to contain cost overruns
- Raised the TANF eligibility and payment standards to 30% of the 2011 FPL

For further information, you may wish to contact the agency at:

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